SAS Code of Conduct – ethical principles and guidelines

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SAS Code of Conduct – a code that applies to all of us

Introduction
All units and employees within SAS must comply with the laws and agreements that apply for their activities and employment in the countries where they work. This also means that all staff must acquaint themselves with and comply with the laws governing their individual duties.

Compliance with laws and regulations is an obvious and absolute requirement. This Code of Conduct, which contains rules for our business conduct and for our responsibility to colleagues, customers, suppliers, shareholders, authorities and the world in general, in some cases goes further and must be applied throughout SAS.

The code is derived from SAS involvement in the United Nations Global Compact Program. This is a program for businesses and organizations who wish to contribute to the international effort which contains ten global principles relating to: human rights, labor, environmental and anti-corruption.

By getting involved in social issues and joining the United Nations Global Compact Program, SAS has committed to protect and support human rights and combat corruption, discrimination and all forms of forced labor. More information is available at www.unglobalcompact.org.

This Code of Conduct has been approved by the Board of Directors of SAS AB. The code is reviewed annually and revised when necessary.

The Board of Directors has overall responsibility for the implementation of the Code of Conduct and for monitoring compliance.

All employees are required to understand and comply with this Code of Conduct. Failure to do so may result in disciplinary action, including termination of employment and in case of serious offenses, legal action.

SAS has established a system for reporting suspected non-compliance. Where normal reporting methods cannot be used, everyone has the right and obligation to notify the person responsible for the code of any illegal or serious non-compliance. This “whistle-blowing” function can be used via e-mail to: codeofconduct@sas.se. Read more about this on page 8.
Latest version of the Code of Conduct is always available on SAS intranet and our corporate webpage. It is complemented by a web-based training program, available at www.sastraining.com

http://www.sastraining.com/

Our customers
SAS is a very important part of Scandinavia's total travel market and the society in general. We are here for our frequent travelers who value punctuality, good service and regularity. It is easy to see our customers as either business or leisure travelers. But they are in fact one and the same person. The needs may, however, vary depending on the purpose of the trip. The customer is always our starting point and they must feel that they are getting the best value for their time and money with us.

Safety
Safety is always the top priority in the operations of SAS. When it comes to flight safety, all flights must be performed using safe aircraft, safe equipment and qualified personnel and in accordance with the applicable laws and regulations. As an employee you have a responsibility to report deviations from the specified standards, rules and procedures in order to ensure that necessary action is taken and to contribute to the continuous improvement of our safety work.

Punctuality
It is your duty as an employee in each affected business in SAS, to actively contribute to achieving the targets set for punctuality and regularity.

Care
Every promise made to a customer is a commitment that we must deliver on in all situations. Care broadens the content of our customer’s experience of this to include more care and feeling and the relationship with the customer. You should always protect our customers' privacy. SAS has an ongoing dialogue with our customers and we continuously measure and monitor customer satisfaction.
Employees
As a SAS employee you are our most valuable resource and we want to realize the potential of our staff through good leadership and cooperation towards common goals. It is important that you as employee and leader are aware of and working towards our vision to fulfill the expectations of our stakeholders.

SAS employee- and leadership model describes the behaviors that create a culture, and makes us achieve our overall goals. As an employee and leader you are always expected to act in accordance with the SAS employee model and leadership model.

It is the leader's responsibility to make available and ensure that you as an employee, take part of the Code of Conduct. It is your responsibility as an employee to understand and act in accordance with the Code of Conduct.

Diversity
SAS aims to reflect the diversity of society in the social composition of the company. SAS basis for all recruitment, skills development, promotion and other cooperation is that all people are equal. All employees and applicants must be treated according to formal and objective criteria. SAS recruits on the basis of competence. No one who works at SAS should be subject to discrimination or favoritism on the grounds of age, sex, ethnic background, nationality, religion, sexual orientation, disability, political beliefs or social status. Neither do we accept physical, psychological, verbal or sexual harassment.

Right of association
SAS respects the right of employees to join associations and organizations and to organize themselves into a trade union and, in line with national law and practice, to sign collective agreements. An effective cooperation model between management, employees and trade unions will ensure a common understanding of the future challenges and objectives for SAS.

Working environment
The health and safety of staff is a high priority in all activities carried out by SAS. The concern for safety applies in every working environment. As an employee you should not have to suffer physical or psychological injury at you workplace. Each leader is responsible for their team, group or department, but everyone has a responsibility to work together and to strive for continuous improvement and to prevent all kinds of injury.
Responsible member of society
SAS strives to demonstrate that it takes responsibility in all countries and contexts in which we operate. This means, among other things, that SAS is always interested in holding discussions and in cooperating with stakeholders and society.

Sustainability work
In order to contribute to sustainable development in the day-to-day work, you as an employee must not only take into account the company’s financial development, but also the impact of SAS on the environment and society in general. Better resource management and reduced environmental impact leads to greater profitability in the long term and to increased competitiveness.

Responsibility at work
SAS is to be an alcohol- and drug-free workplace. This means an absolute prohibition for you as an employee to be under the influence of, possess, sell, distribute or cultivate alcohol or drugs on or near the workplace.
On representation and events organized by SAS, alcohol can be accepted on a limited basis. Alcohol consumption must then be handled with discretion and alcohol-free options should always be offered.

Responsibility when traveling
During business trips or leisure travel, where our travel benefits are used, we neither permit nor accept you as an employee being involved in or associated with any form of activity involving:
• Exploitation of people, such as buying sexual services
• Import or export through the sale or distribution of illegal items (e.g. pirate copies or forgeries) or goods that are subject to customs duty or tax.
As an employee of SAS you must at all times avoid actions or conduct that may compromise, be detrimental to or threaten your own or SAS’s goodwill and image. The use of private travel benefits for commercial activities is against our rules and regulations.
Communication and dialogue

A productive dialogue is built on openness between you and the company. Communication is a strategic management tool that will help to ensure that SAS strategies and goals are spread, accepted and realized throughout the company. Communication and dialogue with SAS’ stakeholders are therefore key aspects of our day-to-day work.

**Communication work** must take place in a highly professional manner and comply with the laws and rules that apply to listed companies. At SAS, management has the overall responsibility for communications. The communications departments are tasked with supporting management through effective communication with internal and external target groups.

As an individual employee at SAS, you may not make statements on behalf of SAS about SAS or our business to the media, investors, financial or industry analysts or in social media or other public forums or contexts without the prior approval of management.

You may not publicly disparage competitors, peers, partners, or other SAS’ stakeholders.

How you as an SAS employee express yourself about SAS in social media is important. The digital landscape is changing rapidly and social media is increasingly becoming a part of our everyday lives - both at home and at work. All employees are valuable ambassadors for SAS. You should be aware that what is written or expressed can never be considered to be private, but can spread throughout the internet. The overall approach should be guided by common sense, respect and tolerance. A simple rule is never to write anything that would not be acceptable to express in your workplace.

The complete [Social Media policy](#) is available on SAS intranet. If you need further information, consult your line manager.

Security, theft and loss

The aim of our security work is to protect SAS’s property and the use of our systems and to minimize the risk of illegal entry, sabotage, damage, disruption, unauthorized data access or other actions that may result in losses of any kind.

**IT security**

The security aspects refer to materials and equipment, as well as data and specialist knowledge. As an employee you have a responsibility to maintain high security standards,
which includes safeguarding and handling passwords and PIN codes for computers and mobile devices. Work tools, such as computers, cell phones or our communications system, must not be used to process, send, receive, store, print or otherwise spread information that is false, illegal, constitutes harassment or is otherwise incompatible with professional conduct.

As an employee you have a responsibility to ensure that the company’s information and communication systems are used correctly and in accordance with our IT policy. Personal use must not prevent or reduce your ability to carry out your work or have a negative impact on the company or its reputation. Remember that information about our customers never get served persons or companies outside of SAS other than to perform the services that customers expect of us.

**Theft and loss**
Crime in all its forms, such as theft, wastage, embezzlement or fraud, is unacceptable and will lead to disciplinary action, which may result in dismissal. Such actions are also always reported to the police. There are many aspects of crime, which is why we actively work to provide information about, prevent, expose and denounce all types of crime at our company. SAS’ policy on this has been drawn up on the basis of domestic and international legislation in this area.

**Environment**

**Consideration for the environment**
Most of SAS environmental impact comes from the consumption of non-renewable energy. SAS strives to minimize its environmental impact, both in the air and on the ground, and to optimize its resource management to reduce emissions, consumption of energy and water, noise and to treat waste as a resource. SAS’s goal is to generate responsible and sustainable traffic growth, while at the same time reducing the environmental burden.

We are also working actively to create a culture based on commitment to the environmental efforts of all employees. As an employee you are expected to take environmental considerations into your daily work, follow the work practices and procedures established. These are optimized for minimal resource consumption and environmental impact. Any deviations and extraordinary events must be reported in established reporting tools.
We will lead the way in work on sustainable development within aviation and so contribute to the sustainable development of society. SAS has one of the airline industry’s most ambitious, long-term environmental programs and its environmental targets are continuously monitored. We also actively work to create a culture within SAS that is built on commitment for environmental work among all staff. SAS expects all staff to consider the environment in their day-to-day work.

**Reporting**
SAS publishes financial information (annual reports and interim reports) which contains financial results, data and information about the activities of the company. SAS is obliged to comply with stock exchange and security legislation as well as listing agreements and other stock exchange rules in Denmark, Norway and Sweden. SAS endeavors to provide fast, up-to-date, accurate and relevant information to shareholders, society and the media and to work to achieve an active and open dialogue with the market. Communication with analysts, investors and the capital market as a whole always takes place at management level.

**Market-sensitive information**
SAS has specific procedures for how market-sensitive information is published and by whom. It is always conducted through our Communications department. There will be consequences for any individual who is in breach of these procedures.

**Accounting policies**
SAS has strict rules and policies for the reporting of financial information and internal audit functions.

**Sustainability reporting**
When making its annual report, SAS also reports its sustainable development. This includes reports on the company’s handling of issues of responsibility based on both internal and external guidelines and with the aim of meeting the need for information of various stakeholders.
For further information relating to the financial reporting, see [Investor Relations Policy](#).
Doing business
As an employee of SAS you must comply with all laws and ordinances applicable to your work. You have a responsibility to acquaint with or obtain information about statutory requirements and other legal issues relating to your duties.

Competition
SAS supports open competition as the basis for all business development and innovation and has a strict Compliance program for competition law, which all employees must adhere to. SAS must compete within the legal framework of the relevant country. As an employee you must not engage in anti-competitive activities, such as illegal price agreements, market division, abuse of a dominant position or in other contexts where open competition is legally prevented, restricted or impaired. Consult your line manager or SAS Legal Affairs if you are in any doubt.

Procurement
All procurement must take place while keeping costs as low as possible and in the best interests of SAS. The choice of supplier and ensuring the best commercial conditions for procurement are factors which have an impact on SAS’ profitability and competitiveness. All procurement must take place on a professional basis, according to sound ethical principles and with great integrity and must be in line with relevant laws and company policies. Savings must be achieved through standardization, binding general agreements and close cooperation with selected suppliers in SAS’ e-buy system. Priority must be given to suppliers that are certified in accordance with ISO 14001, or are able to demonstrate that they have similar environmental management systems, and work in accordance with United Nations Global Compact. SAS works in accordance with the United Nations Convention on the Rights of the Child and Save the Children’s guidelines for handling the rights of children and places the same requirements on its suppliers. Information about ongoing procurement negotiations and possible suppliers must be treated as confidential.

Bribery and improper benefits
The integrity of each and every member of staff helps to maintain the good reputation and trust of SAS on the market. As an employee you must under no circumstances promise, offer or accept payment, compensation, loans or other financial benefits to, through, or from persons or companies in contravention of applicable laws and SAS policies. The use of intermediaries, agents or other brokers to circumvent the above ban on giving or receiving
payments or other benefits is also not permitted.

**Gifts and entertainment**
As an employee of SAS you must not promise, offer or accept gifts, entertainment or other personal benefits to or from other persons in contravention of applicable laws and SAS policies or where this may, or could be construed to, affect their work performance or the outcome of a business agreement.
Consult your line manager or SAS Legal Affairs if you are in any doubt.

**Conflict of interest**
A conflict of interest arises when your individual objectives as an employee are not compatible with those of SAS and your decisions may be to the company’s disadvantage. You must therefore report situations or transactions that could result in a conflict of interest. Consult your manager if you suspect that you are, or risk being, involved in such a conflict. If your manager is unwilling or unable to make a decision on this, you must contact SAS Legal Affairs.
A conflict of interest may also arise if a close relative has a financial or other interest that may affect the employee’s judgment to the detriment of SAS.

**Business opportunities**
You must not, either for yourself or on behalf of an associate, make use of business opportunities that rightly belong to SAS. Nor may you use the company’s information, property or your position within SAS for personal gain.

**Other employment**
You may not have any employer other than SAS or engage in business activities outside the company where this may have a negative impact on your work for SAS. Always consult your line manager before accepting other employment or an increase in external work.

**Directorships and other external positions**
If you hold, or are asked about, a position on a Board of Directors or other body outside SAS, you must ensure that this will not lead to any conflict of interest. Formal approval of such appointments is required from your line manager.

**Political activities**
SAS does not provide contributions or other support, either directly or indirectly, to political parties or individual politicians. You must not therefore make contributions on behalf of the
company or provide assistance in the form of funding or resources from the company.

**Insider trading**
The Board of Directors of SAS have established rules for insiders and the trading of SAS shares, which can be found on [SAS intranät](#).

**Insider information**
Insider information refers to information that has not been published and which may affect the share price or other financial instruments. It is possible for you to have access to insider information even if you are not registered as an insider.
- In this case you may not, directly or indirectly, buy or sell shares in SAS AB or listed companies with which SAS have business dealings or business relationships with.
- Neither may you disclose information to anyone else, including family and friends.

**Non-compliance and reporting**
Conduct or actions that are, or can be considered with good reason to be, in contravention of the law or this Code of Conduct must be reported. You are urged to report such non compliance to your line manager, or where they are involved or fail to act, your line manager’s superior. We expect our leaders to treat reported matters seriously and in accordance with the policies and values of SAS.

**Reporting non-compliance (“whistle-blowing” function)**
SAS has introduced procedures for reporting non-compliance. Reports of a breach of law or serious breach of this Code of Conduct, relating for example to competition legislation, criminality, reporting or financial reporting, insider trading or conflict of interest or situations where managers are involved or fail to take appropriate action following reports, can be reported to the Senior Vice President & General Counsel. These reports can be made directly on SAS’s intranet. Employees and others can also make reports by e-mail to: codeofconduct@sas.se

There will be no discrimination or rebuke against anyone for making a report in good faith of actual or suspected non-compliance. Reports will be treated confidentially and anonymously if requested.